



13 May 1964

Dear Dean:

Although the attached report on Free World shipping in the Cuban trade is receiving normal distribution, I wish to call it to your personal attention.

Of particular interest and concern is the rise in British and Greek controlled shipping which in the first quarter of 1964 amounted to 87.5%, and in March to 94.8%, of the Free World voyages. These astoundingly high percentages result from a determination that virtually all of the Lebanese flag vessels in the Cuban trade during the first quarter, which accounted for one-third of the total voyages, were either British or Greek controlled. Apparently there are some advantages to ship owners to register ships under the Lebanese flag.

I have sent a copy of this report to McGeorge Bundy suggesting that he bring it to the President's personal attention.

Sincerely,

/s/ John

John A. McCone
Director

Attachment

The Honorable Dean Rusk
The Secretary of State
Department of State

MORI/CDF Pages 2-8

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cc - DCI chrono wo/a

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(Attachment: Current Support Brief - British & Greek Firms
Continue to Dominate Free World Shipping in the
Cuban Trade dated May 64

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Current Support Brief

BRITISH AND GREEK FIRMS
CONTINUE TO DOMINATE FREE WORLD SHIPPING
IN THE CUBAN TRADE



CIA/RR CB 64-30

May 1964

CENTRAL INTELLIGENCE AGENCY
Office of Research and Reports

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BRITISH AND GREEK FIRMS
CONTINUE TO DOMINATE FREE WORLD SHIPPING
IN THE CUBAN TRADE

The dominance in the Cuban trade of ships controlled by British and Greek firms and registered under the British and Lebanese flags increased in the first quarter of 1964 and reached its highest point in March (see Table 1). About 95 percent of Free World ships arriving in Cuba in March were controlled by either British or Greek firms, and about 87 percent were of British or Lebanese registry.

The difficulty in further reducing Free World shipping to Cuba lies in the organization of the shipping industry and the attitudes of the British and Greek governments toward control of domestic shipowners. The UK is unwilling either to press British shipowners to forego the Cuban trade or to place restrictions on the areas of navigation of British-registered ships. The Greek government has made it unlawful for Greek-registered ships to sail to Cuba* but does not prevent Greek shipowners from using their foreign-registered ships in the Cuban trade. Lebanon has no shipowners who control shipping in the Cuban trade, hence cannot exert pressure effectively through control of shipping corporations. However, Lebanon has legislation pending (it will not become effective before the end of May 1964) that will enable the government to forbid Lebanese-registered ships from sailing to Cuba. Unfortunately, virtually all firms presently controlling Lebanese-flag ships in the Cuban trade are incorporated in the UK or Greece, and if they find it profitable, these owners can transfer to the British flag any of their Lebanese-flag ships which they wish to continue in the Cuban trade.

The great reduction in the number of arrivals of Free World ships in Cuba in 1963 compared with 1962 (see Table 2) was achieved essentially by three measures, two of which were imposed by Western governments on their shipowners: One of these measures, and the most effective, was the exertion of governmental pressure on domestic shipowners; another was the establishment of legal restriction on voyages to or from Cuba, and was employed by Greece,** West Germany, Panama, Liberia,

* Except for a few ships that were time-chartered for the Cuban trade before the effective dates of the Greek legislation.

** Greek legislation became effective rather late in 1963, and, therefore, the reduction in Greek-flag shipping to Cuba is apparent only since October 1963.

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Honduras, and, apparently, Japan. Finally, US action to deny US government-financed cargoes to ships that have voyaged to Cuba since 1 January 1963 has had a deterrent effect.

As shown in Table 3, although only about 36 percent of the total number of voyages to Cuba of Free World ships in 1963 were made under the British flag, nearly 62 percent of the total of such Free World voyages were made by ships controlled by British firms. On the other hand, although Lebanese-flag ships made 17 percent of the total of such voyages, no ships controlled by Lebanese firms made such voyages. Of the 43 Lebanese-flag ships (making 64 voyages to Cuba in 1963), 24 were controlled by British corporations, 18 were controlled by Greek corporations, and 1 was controlled by a Swiss corporation.

Analysts:



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Table 1

Distribution of Free World Voyages in Cuban Trade
by Flag and Nationality of Controlling Firm
First Quarter and March 1964

Nationality	Voyages				Percent of Voyages			
	Flag		Controlling Firm		Flag		Controlling Firm	
	First Quarter	March	First Quarter	March	First Quarter	March	First Quarter	March
British	43	21	58	27	48.9	53.8	65.9	69.2
Greek	9	3	19	10	10.2	7.7	21.6	25.6
Italian	2	1	2	1	2.3	2.6	2.3	2.6
Lebanese	23	13			26.1	33.3		
Moroccan	2		2		2.3		2.3	
Norwegian	3		1		3.4		1.1	
Spanish	3		3		3.4		3.4	
Yugoslav	3	1	3	1	3.4	2.6	3.4	2.6
Total	<u>88</u>	<u>39</u>	<u>88</u>	<u>39</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

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Table 2

Distribution of Free World Ships and Voyages in Cuban Trade
by Flag and Nationality of Controlling Firm a/
1962-63

Nationality	1962				1963			
	Number of Ships		Number of Voyages		Number of Ships		Number of Voyages	
	Flag	Controlling Firm	Flag	Controlling Firm	Flag	Controlling Firm	Flag	Controlling Firm
Belgian	2	2	2	2				
British	100	233	164	344	64	122	133	229
Chilean	1	3	4	6				
Danish	22	24	41	43	1	1	1	1
Dutch	15	15	20	20				
Finnish	3	3	3	3	1	1	1	1
French	12	13	13	14	4	7	8	16
German (West)	70	68	81	79	2	2	2	2
Greek	123	55	172	77	59	42	99	71
Honduran	1		2					
Italian	28	30	36	38	10	10	16	16
Japanese	26	26	27	27	1	1	1	1
Lebanese	39		50		43		64	
Liberian	22		24					
Monacan		1		1		2		3
Moroccan	2	2	5	5	4	1	9	1
Norwegian	56	53	88	80	6	3	14	4
Panamanian	14		15					
Spanish	14	18	38	42	4	4	8	8
Swedish	30	30	44	44	2	2	3	3
Swiss						1		1
Turkish	4	4	4	4				
Uruguayan		1		1				
US		3		3				
Yugoslav	23	23	31	31	6	6	12	12
Indeterminable						2		2
Total	<u>607</u>	<u>607</u>	<u>864</u>	<u>864</u>	<u>207</u>	<u>207</u>	<u>371</u>	<u>371</u>

a. The statistics in this publication are the result of a review of all intelligence available concerning the number, registry, and ownership of all ships arriving in Cuba since 1 January 1962. The data are consistent with those shown in the monthly publications on Cuban shipping published by this Office and supersede data for 1962 published in CIA/RR CB 64-18, US Sanctions Curtail Free World Shipping, March 1964, SECRET/NO FOREIGN DISSEM.

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Table 3

Percentage Distribution of Free World Flags and Shipowners in Cuban Trade
1962-63

Nationality	1962				1963			
	Percent of Ships		Percent of Trips		Percent of Ships		Percent of Trips	
	Flag	Controlling Firm	Flag	Controlling Firm	Flag	Controlling Firm	Flag	Controlling Firm
Belgian	0.3	0.3	0.2	0.2				
British	16.5	38.4	19.0	39.8	30.9	58.9	35.8	61.7
Chilean	0.2	0.5	0.5	0.7				
Danish	3.6	4.0	4.7	5.0	0.5	0.5	0.3	0.3
Dutch	2.5	2.5	2.3	2.3				
Finnish	0.5	0.5	0.3	0.3	0.5	0.5	0.3	0.3
French	2.0	2.1	1.5	1.6	1.9	3.4	2.2	4.3
German (West)	11.5	11.2	9.4	9.2	1.0	1.0	0.5	0.5
Greek	20.3	9.0	19.9	8.9	28.5	20.2	26.7	19.1
Honduran	0.2		0.2					
Italian	4.6	4.9	4.2	4.4	4.8	4.8	4.3	4.3
Japanese	4.3	4.3	3.1	3.1	0.5	0.5	0.3	0.3
Lebanese	6.4		5.8		20.8		17.2	
Liberian	3.6		2.8					
Monacan		0.2		0.1		1.0		0.8
Moroccan	0.3	0.3	0.6	0.6	1.9	0.5	2.4	0.3
Norwegian	9.2	8.7	10.2	9.3	2.9	1.4	3.8	1.1
Panamanian	2.3		1.7					
Spanish	2.3	3.0	4.4	4.9	1.9	1.9	2.2	2.2
Swedish	4.9	4.9	5.1	5.1	1.0	1.0	0.8	0.8
Swiss						0.5		0.3
Turkish	0.7	0.7	0.5	0.5				
Uruguayan		0.2		0.1				
US		0.5		0.3				
Yugoslav	3.8	3.8	3.6	3.6	2.9	2.9	3.2	3.2
Indeterminable						1.0		0.5
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

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